



State of Wisconsin

Department of Health and Family Services

Jim Doyle, Governor

Kevin R. Hayden, Secretary

January 24, 2008

TO: Assembly Committee on Agriculture
FROM: Chuck Warzecha, DHFS Director of the Bureau of Environmental and Occupational Health
RE: Assembly Bill 701

Good morning Representative Ott and committee members, thank you for this opportunity to testify for information only and answer questions related to AB 701. My name is Chuck Warzecha and I am the Director of the Bureau of Environmental and Occupational Health at DHFS. As you are aware, DHFS shares responsibility for food safety in Wisconsin with the Department of Agriculture Trade and Consumer Protection.

The Food Safety and Recreational Licensing Program in DHFS coordinates the licensing and inspection of restaurants, food vending machines, lodging facilities, swimming pools and water slides, recreational education camps, and tattoo and body piercing establishments. We also inspect school food service facilities under an agreement with the Department of Public Instruction. In total we license roughly 33,000 facilities. Food service related facilities comprise approximately two thirds of this total.

DHFS manages this program through the use of 22 sanitarian inspectors spread across our five regional offices, and almost 50 agent local health departments. Our sanitarians are cross-trained to inspect each facility type in their areas.

DHFS supports efforts to improve efficiency and to minimize the financial strain on our industry partners. To this end we have worked with our colleagues at DATCP to eliminate overlap and redundancy in our programs. It is now rare that both a DATCP inspector and a DHFS inspector will inspect the same facilities. Our staff work closely to address policy issues and to create guidance. We now have a uniform food code guiding each of our programs. The two agencies have also developed a uniform evaluation tool for our agent health department partners.

We have looked at the issue of consolidation jointly with DATCP in the past. Some of the challenges we have identified include:

- Our food safety program does not stand alone. The infrastructure for our Food Safety and Recreational Licensing Program is supported by each facility type we regulate. Separating food safety from this program would reduce efficiency for the remaining programs.
- Many hotels, resorts, and campgrounds also have restaurants. Recreational education camps also have food service facilities. If one agency did all food

inspections while another did lodging we would be returning to the days of multiple inspectors visiting the same facilities.

- DHFS has a comprehensive contracting process with local health departments for a great number of programs in addition to Food Safety and Recreational Licensing. Agent health departments would still have to coordinate with multiple agencies.
- We currently do not have the funding or staff necessary in existing budgets to allocate to this task.

In summary, we plan to continue to work with our colleagues at DATCP to increase efficiency where we find it. If this bill moves forward, we caution that any increases in efficiency that may be found by one program not create increased inefficiency for other industry groups.

Thank you again for this opportunity to share the Department's perspective on AB 701. I am happy to answer any questions you may have.

January 24, 2008

TO: Members of the Assembly Agriculture Committee

FROM: Jeff Lyon, Director, Governmental Relations

RE: Support for AB 701 – Food Safety Study

The Wisconsin Farm Bureau is pleased to provide testimony in support of AB 701. The WFBF is always interested in finding efficiencies were possible within state government. It is our understanding the intent of the bill is to have the study cover not only food safety but dairy farm and dairy plant inspection and licensing. There are many issues that DATCP and DHFS will have to address in the study and I would like to mention a few of the issues and our concerns.

In 2005 when dairy licensing and inspection fees went to hearing; WFBF had the opportunity to participate in several meetings with the department and other stakeholders to come up with solutions before going to hearing. Unfortunately an agreement could not be reached.

In the end we agreed to support an increase in the Grade A procurement fee, however we were strongly opposed to the department's plan to eliminate the public hearing process and go to an annual fee adjustment. The potential loss of public and legislative oversight is a concern when the agency with the authority to spend collected fees has control over fee increases.

While the department attempted to create a system to avoid future fee lapses by the Legislature, it's was our opinion the provision would send a signal to the Legislature to cut remaining GPR funding and let industry pay for the entire program through fees – even then the fund could still be raided.

Farm Bureau believes the cost of dairy and food license fees should be shared by the general public and affected businesses since both benefit from the service being provided by DATCP and DHFS. A greater share of funding should come through GPR. In 1991 license fees accounted for about 40 percent of program costs. By the 1995-97 budget that figure had increased to 50 percent. In 2005 that figure was up to 60 percent.

In 2007 dairy inspection and licensing were once again up for rulemaking. This time, in addition to increasing fees on industry, \$350,000 was taken from the Agricultural Chemical Cleanup Program during the budget process.

Other issues over the last few years include conflicts between retail food and the dairy processing industry with respect to one subsidizing the other and the quality of service received by licensees in relationship what is being paid in fees and licenses.

Clearly something needs to be done, and we applaud you Mr. Chairman for introducing this bill. The WFBF would appreciate the opportunity to participate in any study committee of stakeholders. Thanks again for the opportunity to provide comments.

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Wisconsin Federation of Cooperatives

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January 23, 2008

Representative Al Ott, Chairman
Assembly Committee on Agriculture
Room 323 North, State Capitol
P.O. Box 8953
Madison, WI 53708

Dear Chairman Ott,

The Wisconsin Federation of Cooperatives (WFC) is the statewide trade association representing Wisconsin's cooperative businesses. Our state is home to more than 800 cooperative businesses, including our very important dairy cooperatives, and together these cooperatives are owned by more than 2.9 million Wisconsin citizens. Over 85% of the milk produced in Wisconsin is shipped through and or processed by cooperatives and it is our member dairy cooperatives who add the value to the milk produced on the over 14,000 dairy farms in Wisconsin.

The patrons and management of dairy cooperatives in Wisconsin are among those who benefit from food safety programs administered by the Department of Agriculture Trade and Consumer Protection (DATCP). The proposed food and dairy fees contained in ATCP 60,69,70,71,75,77,80,81,82, and 85 concern our dairy cooperative members because they and their producer owner will be the ones who will pay for the proposed fee increases.

WFC supports you and your efforts to streamline the food safety functions of state government by introducing AB 701. If any savings can be found, producers, cooperatives and the citizens of Wisconsin will benefit. If the food safety programs at DATCP and the Department of Health and Family Services (DHFS) are consolidated, WFC would like to see the consolidated program housed at DATCP which has served our dairy members well through out the years.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Ward'.

David Ward
WFC Dairy Director

A handwritten signature in black ink, appearing to read 'John T. Manske'.

John Manske
WFC Director of Government Relations



Al Ott

State Representative • 3rd Assembly District

AB 701

Food Safety Program Consolidation Study

Assembly Committee on Agriculture

January 24, 2008

Thank you for the opportunity to testify on Assembly Bill 701 (AB 701), which calls for a study of the consolidation of the state's two food safety programs.

Under current law, the Department of Agriculture, Trade and Consumer Protection (DATCP) administers the majority of the state's food safety program, and regulates the entire food chain, from farm to consumer (with the exception of restaurants). The Department's responsibilities include oversight of food labeling, dairy product manufacturing and handling, food processing and retail food establishments (i.e. grocery stores). This includes licensing and inspection of retail food establishments, dairy farms, dairy plants and dairy handlers. Thirty-seven local health departments around the state are contracted to license and inspect 5,300 of the state's 9,600 retail food establishments. DATCP's food safety program is funded by a combination of GPR dollars (43%) and fee revenue (57%).

The Department of Health and Family Services (DHFS) administers a food safety and recreational licensing program, which licenses and inspects approximately 22,600 restaurants and food service facilities (i.e. caterers and vendors). The program also licenses and inspects public swimming pools, bed and breakfasts, recreational and educational camps, campgrounds, hotels, motels and tourist rooming houses, and tattoo and body piercing establishments. Approximately 65% (14,700) of restaurants regulated by DHFS are – by contract – licensed and inspected by local health departments on behalf of the Department. This program is 100% fee funded.

AB 701 requires DATCP and DHFS to cooperatively prepare and submit a plan to the Legislature for the consolidation of their respective food safety programs into a single, comprehensive food safety program. The plan must identify efficiencies and outline any expected savings that may result from consolidation. The agencies must report the plan to the Legislature within one year.

This bill will provide useful information to the Legislature on the viability – from both a fiscal and policy perspective – of merging the state's two food safety programs.

As a final note, a similar study provision was included in the Assembly version of the state budget, but was removed during conference committee deliberations. Considering the testimony this Committee heard two weeks ago regarding the potential fee increases under the DATCP food safety program and the general sentiment that greater efficiencies be found, I felt that this was an appropriate time to once again bring this study concept forward.

Thank you for your time. I would be happy to take questions from the committee at this time.



AFT-Wisconsin

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A Union of Professionals

My name is Gary Steffen, and I am president of the Wisconsin Science Professionals which represents both the Food Scientist and Health Sanitarians. I am here today to for information only as it relates to requiring DATCP and DHFS to prepare a plan to consolidate their food safety programs into one food safety program.

WSP is in favor of whatever program allows these state employees to perform their jobs with the least cost and highest efficiency. We hope that any study that looks into consolidation of the programs, analyzes the current programs successes and failures. We have serious reservations about a recent trend within DHFS to push the administration of food inspection programs onto counties and municipalities. As the agencies investigate consolidation and cost saving measures, we hope that they will analyze the local agent program within DHFS which has not been evaluated for potential oversight and health risks.

Over the years some counties and municipalities have taken over the supervision of food inspections within their jurisdictions from DHFS, the county run programs have often been referred to as the local agent program. In 1983 the Legislative Audit Bureau performed an audit of the local agent program, which at the time was limited in scope. This audit found that there was no uniformity of inspections and continuity of training in programs. In recent years, DHFS has been aggressively pushing the local agent program onto counties, despite the red flags raised by the audit bureau. DHFS has done little to address the concerns raised by the audit bureau while it has pursued an expansion of the program. There has been no further review of the food inspection program since the 1983 audit.

It is our hope that consolidation of the two food inspection programs will not lead to further expansion of the local agent program, but rather provide a much needed opportunity to review protocol and procedures used within both agencies to ensure public health first and foremost as well as cost savings and efficiencies. Even if a county assumes responsibility for food inspections, the state is still very much liable for any deaths or illness that occur in groceries, eating establishments and other facilities that are inspected by the county.

I urge this committee to consider my comments in regards to AB 701 and do what is necessary to protect the public health of the citizens of Wisconsin. Thank you.